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INQUIRE=DOC22D
ITEM NO=00519425

ENVELOPE

CDSN = LGX800 MCN = 93196/10959 TOR = 931960648
OTTUZYUW RUEKJCS1383 1960648-UUUU--RUEALGX.
ZNR UUUUU

HEADER

O 150648Z JUL 93
FM DIA WASHINGTON DC
INFO RUGAID/USEUCOM AIDES VAIHINGEN GE
RUEKMDT/USDP:CCC
RUEOACC/CDRPSYOPGP FT BRAGG NC//ADRC-POG-SB//
RUCJACC/USCINCCENT MACDILL AFB FL//CARA//
RUEOADA/9AINTELS SHAW AFB SC//INR//
RULKQAN/MARCORINTCEN QUANTICO VA
RUEALGX/SAFE

O 150632Z JUL 93
FM AMEMBASSY ABU DHABI
TO RUEHC/SECSTATE WASHDC IMMEDIATE 1619
INFO RUEHQM/GCC COLLECTIVE
RUEHIL/AMEMBASSY ISLAMABAD 0069
RUFHLD/AMEMBASSY LONDON 0244

BT

CONTROLS

UNCLAS SECTION 01 OF 03 ABU DHABI 05775

DEPARTMENT FOR NEA/ARP AND L/LEI

DEPARTMENT PASS FEDERAL RESERVE AND DEPARTMENT OF
JUSTICE

LONDON FOR JOHNSON

E.O. 12356: N/A

/***** THIS IS A COMBINED MESSAGE *****/

BODY

TAGS: PREL, EFIN, CJAN, TC, UK, PK
SUBJECT: THIRTEEN EX-BCCI OFFICIALS CHARGED WITH
FRAUD; ABU DHABI TRIAL EXPECTED IN OCTOBER

REFS: A) 91 ABU DHABI 6022; B) 92 ABU DHABI 9746

1. SUMMARY: ALL UAE NEWSPAPERS REPORTED JULY 14
THAT ON JULY 13, THE UAE ATTORNEY GENERAL INDICTED 13
FORMER BCCI OFFICIALS ON SEVERAL FRAUD CHARGES IN
CONNECTION WITH THEIR WORK WITH THE DEFUNCT BANK.
THIS CABLE IS BASED ENTIRELY ON UAE PRESS REPORTS.
THREE OTHER DETAINEES NOT INDICTED WILL BE RELEASED
BUT NOT ALLOWED TO LEAVE THE UAE UNTIL THE ATTORNEY
GENERAL'S BCCI INVESTIGATION IS COMPLETED. BCCI

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IS/FPC/CDR DRP	Date: 9/8/94	
	MR Cases Only:	EO Citations
DEPARTMENT OF STATE	RELEASE ☐ DECLASSIFY ☐	TS authority to: ☐ S or ☐ C OADR ☐ DOWNGRADE TS to ☐ S or ☐ C OADR
	EXCISE ☐ DECLASSIFY ☐ IN PART	
	DENY ☐ DELETE Non-Responsive Info	
	FOIA Exemptions	
	FA Exemptions	

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FOUNDER AGHA HASSAN ABEDI, BCCI PRESIDENT MOHAMMED SALEH NAQVI, AND ELEVEN OTHERS ARE CHARGED, AMONG OTHER THINGS, WITH FORGERY, USING A FORGED INSTRUMENT, MAKING IRREGULAR ALLOCATIONS OF DIVIDENDS, AND MAKING FALSE ENTRIES IN COMPANY DOCUMENTS AND ACCOUNTS. ACCORDING TO THE INDICTMENT, UAE PRESIDENT ZAYID AND ABU DHABI CROWN PRINCE KHALIFA SUFFERED "SEVERE MATERIAL LOSSES" THROUGH THE MACHINATIONS OF THE INDICTEES. TRIAL IS SCHEDULED TO BEGIN ON OCTOBER 9 IN THE ABU DHABI CRIMINAL COURT. THE ATTORNEY GENERAL'S STATEMENT INDICATED THAT THE UAE WILL ATTEMPT TO HAVE THEM ARRESTED, PRESUMABLY FOR EXTRADITION TO ABU DHABI FOR THE TRIAL. THE BCCI MAJORITY SHAREHOLDERS (THE ABU DHABI RULING FAMILY AND SENIOR UAEG OFFICIALS) QUICKLY ISSUED A STATEMENT OF SUPPORT FOR THE ATTORNEY GENERAL'S INDICTMENTS, STRESSING THAT THEY HAD SUFFERED THE GREATEST LOSSES IN THE FRAUD ALLEGEDLY PERPETUATED BY ABEDI AND THE OTHERS ACCUSED. END SUMMARY.

3. THE UAE PRESS REPORTED JULY 14 AS ITS NUMBER ONE STORY THE FACT THAT THIRTEEN OFFICIALS OF THE FORMER BANK OF CREDIT AND COMMERCE INTERNATIONAL (BCCI) AND THE BANK OF CREDIT AND COMMERCE (EMIRATES) WERE FORMALLY INDICTED ON JULY 13 BY THE ATTORNEY GENERAL'S OFFICE AT THE UAE MINISTRY OF JUSTICE ON CHARGES RELATING TO FORGERY AND DISSIPATION OF FUNDS IN THE TWO BANKS BETWEEN 1980 AND 1990. THE INDICTMENTS WERE SIGNED BY ATTORNEY GENERAL MOHAMMED NUKHAIRA AL DHAHIRI. THE BILL OF INDICTMENT STATED THAT THE ACCUSED ARE BEING CHARGED UNDER VARIOUS ARTICLES OF THE FEDERAL PENAL CODE NO. 3 FOR 1987 AND FEDERAL LAW NO. 8 FOR 1984 ON COMMERCIAL COMPANIES.

4. THE CHARGES FOLLOWED THE SUBMISSION OF A REPORT BY AN INTERNATIONAL FIRM OF EXPERTS RETAINED TO HELP WITH ATTORNEY GENERAL'S INVESTIGATION. THE ATTORNEY GENERAL'S OFFICE SAID THERE ARE OTHER "IRREGULAR TRANSACTIONS AND CONTRAVENTIONS" SO FAR NOT FINALIZED BY THE EXPERTS, WHICH WILL BE THE SUBJECT OF A SEPARATE INVESTIGATION. MORE CHARGES COULD COME IN THE FUTURE.

5. BCCI FOUNDER AGHA HASSAN ABEDI, PRESENTLY IN PAKISTAN, HEADED THE LIST OF THOSE INDICTED. OTHER MAJOR BCCI FIGURES INDICTED INCLUDE FORMER BCCI PRESIDENT MOHAMMED SALEH NAQVI (IN CUSTODY IN ABU DHABI), THE FORMER HEAD OF THE BCCI TREASURY ZIAUDDIN ALI AKBAR (IN CUSTODY IN THE UK), AND IQBAL AHMAD RADWI (OUT ON BAIL IN ABU DHABI). ANOTHER NAMED IN

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THE INDICTMENT, SYEN ARJMAND AHMED NAQVI, DIED IN CUSTODY IN ABU DHABI IN NOVEMBER 1992. THE REMAINING OFFICIALS HAVE BEEN IN CUSTODY IN ABU DHABI SINCE SEPTEMBER 1991. ACCORDING TO THE PRESS, THE FOLLOWING PERSONS HAVE BEEN INDICTED:

AGHA HASSAN ABEDI, A PAKISTANI NATIONAL (AT LARGE)
MOHAMMED SALEH NAQVI, 58, A BRITISH NATIONAL
(DETAINED)
HASSAN MAHMOUD KAZMI, 56, A PAKISTANI NATIONAL
(DETAINED)
ZIAUDDIN ALI AKBAR, A BRITISH NATIONAL (AT LARGE)
ABDUL HAFEEZ HOHAMMED AHMAD, 66, A BRITISH NATIONAL

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(DETAINED)
IMTIAZ AHMAD, 61, A CANADIAN NATIONAL (DETAINED)
AMEERUL HAQ SIDDIQI, 59, A BRITISH NATIONAL (DETAINED)
IQBAL AHMAD RADWI, 66, A BRITISH NATIONAL (ON BAIL)
FAKHIR HUSSAIN, 59, A PAKISTANI NATIONAL (DETAINED)
MOHAMMED AZMATULLAH, 62, A BRITISH NATIONAL (DETAINED)
BASHEER AHMAD TAHER, 53, A PAKISTANI NATIONAL
(DETAINED)
ZAFAR IQBAL CHAWDARY, 54, A PAKISTANI NATIONAL
(DETAINED)
NASSEM HASSAN SHAIKH, 50, A BRITISH NATIONAL
(DETAINED)
SYED ARJMAND AHMAD NAQVI, 43, A BRITISH NATIONAL
(DECEASED)
THREE OTHERS HELD BY ABU DHABI AUTHORITIES WHO WERE
NOT NAMED IN THE INDICTMENT WILL BE RELEASED.
HOWEVER, THEY WILL HAVE TO REMAIN IN THE UAE UNTIL
THE ATTORNEY GENERAL'S BCCI INVESTIGATION IS FINISHED:

SALIM SIDDIQI, PAKISTANI
NADIM HABIBULLAH, INDIAN
ASKARI HASSAN KHAN, BANGLADESHI

6. MOST OF THE ACCUSED ARE PAKISTANI CITIZENS OR OF PAKISTANI ORIGIN, ALTHOUGH SEVERAL HOLD BRITISH PASSPORTS AND ONE HAS A CANADIAN PASSPORT.

7. ACCORDING TO PRESS REPORTS, ABEDI AND NAQVI ARE CHARGED WITH HAVING "DISSIPATED THE FUNDS OF THE SHAREHOLDERS AND DEPOSITORS ENTRUSTED TO THEM...BY UTILIZING THE SAID FUNDS IN SETTLEMENT OF FICTITIOUS LOANS AND OTHER DELINQUENT LOANS AND BY PAYING UNDUE AMOUNTS TO CERTAIN EX-OFFICIALS OF THE BANK." THE FORMER BCCI EXECUTIVES ARE FURTHER CHARGED WITH THE FORGERY OF BANK RECORDS, DOCUMENTS, FINAL ACCOUNTS AND BALANCE SHEETS OF BCCI BY RECORDING "FALSE LOANS

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AS BEING REAL LOANS, AND BY MAKING ARRANGEMENTS TO USE THE SAME FOR REPAYMENT OF OTHER DELINQUENT LOANS AS IF THEY HAD BEEN RECOVERED." THEY WERE ALSO ACCUSED WITH SENDING FORGED INSTRUMENTS TO BCCI'S AUDITORS AND BOARD OF DIRECTORS AND DISTRIBUTING THEM TO SHAREHOLDERS AND DEPOSITORS.

8. ABEDI AND NAQVI ARE FURTHER CHARGED OF HAVING "DISSIPATED" THE FUNDS OF THE PORTFOLIO OF PRESIDENT ZAYID AND CROWN PRINCE KHALIFA "BY UTILIZING THE SAME TO SERVICE THE FICTITIOUS LOANS AND SO FINANCE THE LOSSES INCURRED BY THE GROUP OF BCCI HOLDINGS AND FOR OTHER PURPOSES OF A NON-INVESTMENT NATURE, HARMING THEREBY THE OWNERS OF THE PORTFOLIO" AND THEREBY CAUSING "SEVERE MATERIAL LOSSES" TO ZAYID AND KHALIFA. THEY ARE ALSO ACCUSED OF AIDING AND ASSISTING IN THE MISMANAGEMENT OF FUNDS AND PASSING THEM THROUGH SEVERAL BANKS TO DISGUISE THEIR SOURCE.

9. THE CHARGES AGAINST KAZMI ACCUSE HIM OF ASSISTING ABEDI AND NAQVI. HE IS ALSO CHARGED WITH FORGING ASSESSMENT STATEMENTS TO INDICATE THAT THE FUNDS OF MAJOR INVESTORS WERE INVESTED IN TREASURY BONDS, DEPOSITS AND OTHER SECURITIES AND HAD GENERATED LARGE PROFITS WHEN IN FACT THIS WAS NOT TRUE.

10. FORMER BANK OF CREDIT AND COMMERCE (EMIRATES) GENERAL MANAGER BASHEER TAHER IS CHARGED WITH HAVING "DISSIPATED THE FUNDS OF THE SHAREHOLDERS AND DEPOSITORS...BY UTILIZING THE SAME FOR ANOTHER PURPOSE AND TRANSFERRING USD 150 MILLION THEREFROM TO BCCI (HOLDINGS)." TAHER IS FURTHER CHARGED WITH HAVING "FORGED A DOCUMENT FOR THE ESTABLISHMENT OF A LOAN IN THE SUM OF USD 150 MILLION IN THE NAME OF SHAIKH KHALIFA...BY STATING THAT HE HAD RECEIVED FROM HIM THROUGH (ZAFAR IQBAL CHOUDHURY) TO ESTABLISH THE SAID LOAN AND TO TRANSFER THE VALUE THEREOF TO BCCI (HOLDINGS)." THE OTHERS ACCUSED IN THE INDICTMENT ARE CHARGED PRIMARILY WITH AIDING AND ABETTING ABEDI, NAQVI AND TAHER, THROUGH HELPING PREPARE FORGED

/***** BEGINNING OF SECTION 003 *****/
STATEMENTS, PROVIDING FALSE DATA, SUBMITTING FALSE INFORMATION TO THE EMPLOYEES AND INDEPENDENT AUDITORS OF THE INTERNATIONAL CREDIT AND INVESTMENT COMPANY (ICIC). THE MAJORITY OF THE ACCUSED ARE ALSO CHARGED WITH AGREEING WITH ABEDI AND NAQVI TO CONCEAL THE DEFICIT AND LOSSES SUFFERED BY THE BANK'S GROUP THROUGH THE CREATION OF FALSE LOANS AND USING THEM TO REPAY OTHER DELINQUENT LOANS AND APPROVING THOSE LOANS.

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11. ACCORDING TO THE LOCAL PRESS, THE INDICTMENT BY THE ATTORNEY GENERAL'S OFFICE WAS WELCOMED IN A JULY 13 STATEMENT ISSUED IN ABU DHABI AND NEW YORK ON BEHALF OF BCCI'S MAJORITY SHAREHOLDERS. THE STATEMENT DESCRIBED THE MOVE "AS A POSITIVE STEP IN (THE ATTORNEY GENERAL'S) INVESTIGATION INTO THIS EXTREMELY COMPLEX CASE." THE MAJORITY SHAREHOLDERS COMMENDED THE ATTORNEY GENERAL AND THOSE ASSISTING HIM FOR THE PROGRESS THEY HAVE MADE INTO THIS "UNIQUELY COMPLICATED CASE" AND PLEDGED TO "CONTINUE CO-OPERATIVE EFFORTS WITH THE ATTORNEY GENERAL'S OFFICE TO PURSUE THOSE RESPONSIBLE." THE STATEMENT STRESSED THAT THE MAJORITY SHAREHOLDERS WERE THEMSELVES THE GREATEST LOSERS FROM THE FRAUD ALLEGEDLY PERPETRATED BY ABEDI AND THE OTHERS ACCUSED.

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ADMIN

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